



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0064	Title:	License plate for volunteer EMT and tax credit
Primary Sponsor:	Laible, Rick	Status:	As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$25,600	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	(\$31,680)	(\$31,680)
Net Impact-General Fund Balance:	<u>(\$25,600)</u>	<u>\$0</u>	<u>(\$31,680)</u>	<u>(\$31,680)</u>

Description of fiscal impact: This bill would create a specialty license plate for volunteer emergency medical technicians (EMTs) and provide an income tax credit to volunteer EMTs who buy either the new volunteer EMT specialty plate or a generic specialty plate for EMTs. In essence, this bill would use the income tax system to rebate part of eligible EMTs' fees for buying specialty license plates.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. This bill creates a specialty license plate for volunteer EMTs and sets eligibility requirements to buy the new plates. The bill also provides a refundable income tax credit of up to \$120 for volunteer EMTs who buy the new specialty plates or generic specialty plates for EMTs.
2. According to EMS & Trauma Systems at the Department of Public Health and Human Services, there are approximately 4,600 licensed EMTs in Montana. About 53%, or 2,400, are volunteers.
3. Not all eligible EMTs would buy specialty plates, and not all who buy the plates would claim the credit.
4. The credit is \$120 for an EMT who volunteered at least 1,200 hours in a year and is proportionally lower for an EMT who volunteered fewer hours. This bill ties both eligibility for the specialty license plate and eligibility for the tax credit to serving at least 120 hours providing emergency medical care during the calendar year. Eligible volunteer time consists of such service time and up to 200 hours of EMT training.

5. EMS & Trauma Systems estimates that 50% of the volunteers are active. The other 50% of volunteers are assumed to not reach to 120-hour threshold for claiming the credit.
6. Based on a sample of 40 of the 220 licensed services, volunteer services average 4 calls a week of 2 to 3 hours duration.
7. An active volunteer is assumed to be on call one week a month and serve 144 active medical care hours (12x 4 x 3) and 120 training hours for 264 hours a year of eligible service. Based on these hours the average credit claimed will be for 22% of the \$120 credit ($264 / 1200 = 22\%$). This estimate assumes volunteers with more hours are more likely to claim a credit and eligible volunteers with fewer hours may choose to not claim the credit.
8. Potential credits will be worth \$31,680 ($2400 \times 50\% \times \$120 \times 22\%$).
9. Based on FY 2008 license plate receipts, approximately 25% of all license plates are personalized or specialty plates, it is assumed that this proportion of plates will be claimed by active volunteer EMTs. Total estimated credits claimed are estimated to be \$7,920 per year ($\$31,680 \times 25\%$).
10. Credits will first be claimed for license plates issued in CY 2010. However due to the service hour accumulation requirements it is assumed that the first plates will be issued in FY 2011.
11. The first tax credits will be claimed on TY 2011 tax returns filed during FY 2012.
12. This bill would require an additional line and accompanying instruction on the individual income tax form. The changes to forms would be made as part of the annual update process. Changes to the Department of Revenue's data processing system would require 40 hours of programming and 20 hours of testing. The programming would be done as part of the software vendor's annual maintenance contract, and the testing would be done by department staff. There would be no additional monetary cost, but resources would be diverted from other uses.

Department of Justice

13. SB 64, Section 2, will provide for a new plate design which may be issued to volunteer emergency medical services personnel for placement on the motor vehicle except a motorcycle, quadricycle, or pole trailer upon proper identification and eligibility verification.
14. The registration for such plates would expire annually due to the qualification requirements; thus this plate type would not be eligible for permanent registration.
15. It is assumed that the verification required in SB 64, Section 2, could be part of an electronic application; thus no expense is projected for printing of forms.
16. Programming and configuration will be necessary in the MERLIN system for the issuance of this new plate design. This will be contracted to Bearing Point.
17. It is estimated that Bearing Point will require 160 hours to make the changes for a total cost of \$25,600 [$160 \text{ hours} \times \$160.00/\text{hour} = \$25,600$].
18. SB 64 is one of several bill drafts that seek to modify motor vehicle laws and therefore the motor vehicle licensing system (MERLIN). The fiscal note for each bill will be prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may provide opportunities to share or redistribute costs

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
Department of Justice				
<u>Expenditures:</u>				
Operating Expenses	\$25,600	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$25,600	\$0	\$0	\$0
Department of Revenue				
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	(\$31,680)	(\$31,680)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$25,600)	\$0	(\$31,680)	(\$31,680)

Technical Notes:**Department of Justice**

1. Under statute, it is unclear whether this bill would be creating a standard issue plate or a special plate.
2. It is unclear who would be responsible for the new plate design and costs.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date